CHAPTER-I

INTRODUCTION AND HISTORY OF RETAILING
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Introduction and History of Retailing

1.0 Background:
Retailing has emerged to be a very important sector of the services industry. The whole idea of retailing gyrates around providing right assortments of products at the right time in a very effective mode. Breaking the bulk is the basic function of retailing. Making the right assortments available to the right customers in desired quantity at optimum time is retailing. Hence it is lot more than just breaking the bulk. Since the retail sector performs the activity of providing service of making desired quantity of merchandise available to the consumers in a very convenient format retail sector is categorized as a major element of a service sector.

Services Sector has a very wide perspective. It touches almost every part of human activities viz. health, education, welfare, communication, travel, banking, insurance, advertising, credit rating services, IT services, retailing, the list is enormous.

The services sector has witnessed a phenomenal growth world over, due to the changing lifestyle, changing economic pattern, changing technology, and changing cultural dimensions. Those economies which represented an Agricultural Base or a Manufacturing Base are rapidly moving to become prominently Services Sector oriented economies. This change has brought in, total transformation in the format of old businesses. Certain old businesses are changing their face to emerge as very growth oriented businesses due to the impact of services orientation.

Services Sector is emerging as one of the most important sectors all over the world. Some nations have emerged as service economies which predominantly were manufacturing or agro based economies in
the past. This has resulted from the changing lifestyles of people which is the effect of phenomenal increase in the disposable income in a society. As the society progresses ahead on the wealth creation, the consumers are more and more inclined to spending on leisure oriented activities. This leads to the emergence of innovative services to fulfill the expectations of the consumers. The technological advancements backed up by the innovation in offering the services has changed the face of service industry to a great extent.

The success of services sector is majorly attributed to the strong and innovative marketing function. Marketing of services is the backbone of any service provider. This is attributed to the very nature of services business. Since the services involve two big hurdles of intangibility and lack of physical evidence, the marketing activity is necessarily at peak. The services sector can only be effective with the help of effective Marketing Strategies and Excellent Marketing Communication. Customer Focused marketing of services is the only key for success.

India was all the while known as an Agro based economy till recently. Never the less there was a strong belief that the Manufacturing Sector can only lead the nation to become a developed economy. But in the recent years the picture has changed drastically. The nation is emerging as one of the fastest growing Services Sectors. India’s GDP composition is predominantly service oriented with its share at 49%. This is certainly an indication that it will soon be the services sector driven nation.

The services marketing concepts and strategies have developed in response to the rapid growth in the services sector leading to the increasing importance of the world economies. There is a growing market for services. Increasing dominance of services in economies worldwide has led to the innovations in business practices and amplification of new marketing concepts for Service Industry.
1.1 Marketing Of Services:
Unlike marketing of products, Services Marketing is a very dynamic process. It cannot be only supported by the traditional marketing model. It also involves many other elements such as customer involvement, employee interaction, inconsistency due to the personal touch in the service delivery. Valarie A. Zeithmal and Mary Jo Bitner have given a services marketing triangle to overcome the basic shortcomings for Services Marketing.

THE SERVICES MARKETING TRIANGLE

![The Services Marketing Triangle Diagram]

This triangle is formed with the three corners viz. Customers, Management and Employees. The Management interacts with the customer and sets the promise with the help of ‘external marketing’. A well established rapport between the employees and management leads to ‘enabling the promise’ through ‘Internal Marketing’. At the base of the triangle is ‘Delivering the Promise’ through ‘Interactive Marketing’. This can be achieved only through a well maintained relationship between the employees and customers.

This triangle implies that all three sides are critical to successful services marketing and management. Without one of the sides in place, the triangle or...
the total marketing effort cannot be supported. Each side represents significant challenges for most service businesses.

Ken Irons devised a very comprehensive model where interaction is the focus of the business shown in fig 1.2. The star like formation acts as a basic control both for stating the elements of the mix and for setting them into context and balance. Uniquely in the services business, the customers help form the products. Development and proper communication of clearly defined roles can be achieved through the focus of the business being defined and communicated. The hard part of the specifications and pricing policies are aligned with the business purpose, which in turn contribute to the formation of an organisation. Delivery of the service also must be part of the organisation needs.

All the aspects of services star need to function in tandem with each other. The focus of the whole exercise is Market Interaction. The success of a service organization depends upon what is expected by the consumers and are the expectations met through the service delivery. Deep understanding of the customer role and his expectations also contribute towards the success of a services organisation.

The figure represented on the following page gives the comprehensive view of the service organisation.
Introduction and History of Retailing

Prerequisite for services marketing is defining the framework for the same. Maintaining proper framework and assessing consistency of the service provided is a continuous process. Service quality is the key factor for this
reason. Valarie A. Zeithaml, et. al have developed a GAP Model of service quality. This model identifies four types of gaps and also devices ways to overcome them.

![GAPs Model of Service Quality Diagram](source)

**Fig : 1.3 The GAPs Model of Service Quality**

Source: Valarie A. Zeithaml, Mary Jo Bitnr Services Marketing
Gap I: This is a major gap between company perceptions of customer expectations and expected service. The gap is formed mainly due to the inadequate service orientations. Lack of communication between the customer facing employees and the management can also be responsible for this gap. In certain cases the lack of relationship focus leads to lack of understanding of customer expectations. If the service failures are not followed by quick recovery process, the gap can widen.

Gap II: The provider gap two is a gap between Management Perceptions and Service Standards. The gap one is responsible for formation of incorrect perceptions about customer expectations which leads to the formation of wrong service standards. Major factors responsible for formation of this gap are,
- Absence of Customer Driven Standards
- Inadequate Customer Leadership
- Poor Service Design

Gap III: When the Service Delivery does not match with the service standards, the Gap III is created. The gap may be created due to all or some of the factors mentions below.
- Deficient Human Resource Policies
- Failure to Match Supply and Demand
- Customer not fulfilling role
- Problems with service intermediaries

Gap IV: Gap between the service promise and service delivery may get created due to the external communication either being ambiguous or incomplete. The major factors contributing to this gap are,
- Lack of Integrated Marketing Communications
- Ineffective Management of customer expectations
- Overpromising
- Inadequate horizontal communication
**Gap V**: Gap between Perceived Service and expected service may exist due to the customer perception being wrongly formed on the basis of the interpretation of marketing communication. Marketing Communications create an image of the service in the minds of consumers. This image is compared with what they expect from the service. When expectations do not match the perception about the service, Gap V may widen.

The services industry has spread its arms to the wide range of functions at all levels for all types of consumers. Right from transportation services to the software services every gamut of life is touched by the service industry. Though there are variety of services available with the wide range within each type the functionalities and marketing characteristics are very similar. The marketing framework required for these is very peculiar and uncommon.

1.2 **Types of Services:**

Numerous types of services can be categorized under the orbit of services sector. Services in greater perspective can accommodate everything which is intangible, inconsistent, inseparable and perishable. Hence services enjoy a wide horizon. This makes it extremely intricate to compartmentalize crystal clear categories. An effort has been made to put services together in broad clusters. These clusters can be identified on the basis of what service is being provided to the consumer masses. The services simply are intangible in nature. Obviously they do not hold any specific colour, shape or size. Due to which the categorization of services depends purely upon what it does to the end user. In other words, best possible way to categorize services can be by understanding what consumer gets by utilizing a particular service. The following is a partial list of services categorized on the basis of utility to the user sectors.
Table 1.1: Types of Services

<table>
<thead>
<tr>
<th>Category</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>Telephone, Courier, TV</td>
</tr>
<tr>
<td>Consultancy</td>
<td>Market Research, Financial Consulting</td>
</tr>
<tr>
<td>Education</td>
<td>Educational Institutions</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>Banking, Leasing, Insurance</td>
</tr>
<tr>
<td>Health Care</td>
<td>Hospitals, Nursing Homes</td>
</tr>
<tr>
<td>IT and IT Enabled Services</td>
<td>Software Consultancy, BPO</td>
</tr>
<tr>
<td>Public Utility Services</td>
<td>Water Supply, Electric</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Renting, Building</td>
</tr>
<tr>
<td>Tourism</td>
<td>Hotels, Tour Operators</td>
</tr>
<tr>
<td>Trading</td>
<td>Retailing, Wholesaling</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>Railway, Airlines, Road</td>
</tr>
<tr>
<td>Others</td>
<td>Advertising, Event Management</td>
</tr>
</tbody>
</table>

Source: Rampal M.K, Gupta S.L. Services Marketing Concepts and Cases Galgotia Publishing Company

1.3 Retailing Industry:

The word Retail has been derived from a French word “retaillier” which means to cut off a piece or to break bulk. A retail activity may be explained as consistent repeated sale of goods in small quantities. Retailing can thus be understood as the final step in the distribution of merchandises, for consumption by the end consumer. Simply speaking any firm that sells products to the final consumer is performing the function of retailing. It consists of all activities involved in the marketing of goods and services directly to the consumers for their personal, family or household use. It is necessary to understand that in the complex world of trade today, retail would include not only goods and services offered to the consumers for their personal, family or household use. Since the market place is more and more becoming customer centric, and the key to business success is customer delight, the retailer has emerged as the first point of customer contact. Hence
the retailing activity is slowly expanding its horizons in marketing of all types of services as a major deliverable.

Retailing is the set of business activities that adds value to the products and services sold to the consumers for their personal or family use. Retailing is often thought of, only as a sale of products in stores. But retailing also involves non store retailing which in a broader sense leads to even delivering products or services to the consumer’s door steps.

Retailers attempt to satisfy consumer needs by having the right merchandise, at the right price, at the right place, when the consumer wants it. Retailer also provides markets for producers to sell their merchandise. Hence they are the final links to the consumers in the distribution channels. Since they are the final and in most cases only point of contact for the consumers the entire success of the product delivery is dependent on the retail activity.

1.4 The Industry Segments

Classification Of Retail Industry Segments

- Store Based Retailing
  - Ownership
    - Independent Retailer
    - Chain Retailer
    - Franchisee
    - Leased Departments
    - Consumer Cooperatives
  - Merchandise
    - Convenience Stores
    - Supermarkets
    - Hypermarkets
    - Specialty Stores
    - Departmental Stores
    - Off Price Retailers
    - Catalogue Showrooms

- Non Store Retailing
  - Direct Selling
  - Mail Order
  - Tele Marketing
  - Automated Vending

- Service Retailing
  - Banks
  - Car Rentals
  - Service Contracts
1.4.1 Classification On The Basis Of Ownership

1. **An Unaffiliated or Independent Retailer**: He is the one who owns and operates a single retail shop. He is supposed to have a very personalised approach in the nearby locality. The best example could be Kirana Shops.

2. **A Corporate Retail Chain**: Multiple store units are operated under the common ownership. Most chains have well defined management philosophies. All the store units have consistent strategies towards store hours, product assortment, prices, sales personnel, and sales promotion. Since the decision making system is highly centralised, it lacks understanding and meeting the local needs with respect to the individual store units. e.g. Spencers, Shoppers’ Stop etc.

3. **A Franchise System**: There is a contractual agreement between a franchiser and a retail franchisee. It helps franchiser to establish quick presence on national or international level with a very low investment. The franchiser has to keep a close watch on all the franchisees to ensure that there is parity in the service provided. e.g. Archies.

4. **Leased Departments**: When a section of a department in a retail store is leased to an outside party, it is termed as a leased department. A leased department within a store is a good format available to the retailer for expanding his product offering to the customers. These can also be called as Shop-in-Shop e.g. Lakme Beauty Advisors in a Utility Store.
5. **Consumer Cooperatives:**
   There are a lot of stores which operate on the cooperative platform. The Departmental Stores are run and managed by a group formed as a cooperative society. The best example of this type could be Grahak Peth – a Consumer Cooperative Store in Pune.

1.4.2. **Classification On The Basis of Merchandise Offered**

1. **Convenience Stores:**
   These stores are relatively small and are located near the residential areas. They cater to the variety of product range which is a daily requirement for nearby households. These stores are open for a very long time during the day. A nearby Kirana Store / Baniya could be the indigenous example of a Convenience Store. The international examples could include 7-Eleven, Lawsons and SPAR.

2. **Super Markets:**
   A Store with a Selling Area of 4000 Sq. Ft. to 25000 Sq. Ft. selling at least 70% foodstuffs and daily necessities can be termed as Super Markets. The Indian examples of Super Markets could be Nilgiri’s, Food Bazar etc.

3. **Hypermarkets:**
   The format is a combination of a supermarket and a Departmental Store. This type has an average sales area of over 25000 sq. ft. with at least 35% of selling space devoted to non-grocery products. The international giants in this category include Carrefour, Wal-Mart etc. The Indian Hypermarkets that can be sited are, Star India Bazar, Big Bazar.
4. **Speciality Store:**
A store specializing in a particular type of merchandise or single product or durable goods is a specialty store. This store deals with a narrow product line with wide variety in that product line. These stores have a very clearly defined target market. E.g. Tangent, @Home.

5. **Departmental Store:**
These establishments merchandise, clothing and home related items at least to the extent of 10% but less than 70% respectively. Moreover it has minimum 50 employees and a self service ratio of less than 50%. E.g. Shoppers’ Stop, Westside Pantaloon etc.

6. **Off Price Retailers**
These retailers sell the merchandise for less than the retail price. The merchandise is bought from the manufacturer’s seconds, overruns and off seasons at a deep discount. It may be in odd sizes or unpopular colours or with minor defects. E.g TK-MAX

7. **Catalogue Showroom:**
This type of retailer generally specializes in hard goods such as house ware, jewellery and consumer electronics. A customer walks into this retail showroom and goes through the catalogue of the product that he would like to purchase. The product is then arranged for the examination of the customer prior to finalization. E.g. Argos

**1.4.3 Non Store Retailing :**
Retailing also takes a form of non store retailing. The simplest form of non store retailing is door to door selling. Various other forms of non store retailing are, Mail Order or Catalogue Retailing, Tele-Shopping, Electronic Shopping etc.
1.4.4 Services Retailing:
Simply speaking, services retailing involves retailing of services to the end user. E.g. Retail Banking, Car Rental, Computer Maintenance etc.

Retail organizations can be grouped in many ways on the basis of the format they use. At times a mix of two or more formats is also present in an organization. The decision of which format to use is entirely underpinned by who are the user sectors and what products are dealt with.

Before going deep into the understanding of how Retail Organisations operate, it is noteworthy to comprehend as to how the retail markets develop. Since Indian organised retail Sector is in a very nascent stage it is essential to be familiar with the functioning of market forces that compel the retail organisations to endure transformations. Wheel of Retailing is a typical concept which explains how organisations develop and transform due to the market forces that incessantly work on them.

1.5 The Wheel of Retailing:
Lamba A.J. exhibited a Wheel of Retailing which suggests the life cycle guide to the Retail Business. The retailers need to adapt themselves as per the changes in the external environment. New Retailers usually start with the low prices in the beginning to attract the footfalls. On the contrary they offer very little in terms of services. These retailers become popular soon as compared to the original retailers. They end up having large impact on the retail scenario of the region.

Inspired by the success of these retailers, new retailers enter the market with low price strategy again. When these new retailers enter the market the previous innovative retailers are pressurised to match the prices or are forced to improve the service levels. As a result, their profit margins shrink. The overall growth of the company also slows
down. As these innovators reach the maturity level the entire cycle comes to an end and they finally become the high priced retailers with the new operators once again capturing a substantial portion of the retail market. The following figure depicted in the form of Wheel of Retailing explains the concept clearly.

![The Wheel of Retailing](image_url)

**Fig 1.4 The Wheel of Retailing**

Source: The Art of Retailing, A.J. Lamba, Tata Macgrow hill
1.6 **Comparison of Retailers Across Segments:**

Ron Hasty and James Reardon have compared the Independent Retailers with Corporate Retail Chains on various platforms viz. Control, flexibility, economies of scale, long run planning competition and leading concerns. The control in operations and flexibility are the positive aspects of Independent retailer. Where as the economies of scale, good long run planning and very low competition are the strengths of Corporate Retail Chains.

### Table 1.2: Comparison Across Types of Retailers

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Criteria</th>
<th>Independent Retailers</th>
<th>Corporate Retail Chains(CRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Control</td>
<td>Direct control of strategy, image and consistency; centralized decision-making</td>
<td>*Reduced managerial control because of geographical dispersion.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>*A level of centralized or coordinated purchasing &amp; decision making is seen.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Lack of communication &amp; time delays affect making &amp; implementing decisions</td>
</tr>
<tr>
<td>2.</td>
<td>Flexibility</td>
<td>Enjoy flexibility in location &amp; strategy</td>
<td>Limited flexibility as well established norms have to be followed</td>
</tr>
<tr>
<td>3.</td>
<td>Economies of Scale</td>
<td>Few, even if &amp; only if operating on a large scale</td>
<td>Efficiency in multiple store operations through shared warehousing facilities, volume purchases, centralized decision-making as regards personnel, purchasing, pricing, advertising, sales training &amp; financing policies</td>
</tr>
<tr>
<td>4.</td>
<td>Long Run Planning</td>
<td>Owner intimately involved in daily operations, therefore responsiveness to new legislation, products &amp; competitors suffers</td>
<td>Considerable time &amp; resources are devoted. Specific Personnel are assigned the task of Long Run Planning</td>
</tr>
<tr>
<td>5.</td>
<td>Competition</td>
<td>High because of * Ease of entry * Low capital requirements (as compared to CRC) * Simple licensing provisions</td>
<td>·Lower because investment costs are high Individual outlets face competition from players offering similar assortment of goods/services</td>
</tr>
</tbody>
</table>
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</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>Leading Concerns</td>
<td>* Identification of successors</td>
<td>In addition to maintaining consistent retail marketing strategies in all branches, adapting to local needs of the target market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Roles &amp; dependence on no-family employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Management training for family members</td>
<td></td>
</tr>
</tbody>
</table>

Source: -Ron Hasty, James Reardon - Retail Management

1.7 Retail Life Cycle:
Similar to the product life cycle, the retail life cycle also can be established to understand the characteristics of retail business in each stage of life cycle and form the strategies accordingly. All four stages of the retail life cycle are explained in the following table.

Table 1.3 : Retail Life Cycle

<table>
<thead>
<tr>
<th>Area of Concern</th>
<th>Innovation</th>
<th>Accelerated Development</th>
<th>Maturity</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Competitors</td>
<td>Very few</td>
<td>Moderate</td>
<td>Many direct competitors and moderate indirect competition</td>
<td>Moderate direct competitors and many indirect competitors</td>
</tr>
<tr>
<td>Rate of Sales Growth</td>
<td>Very rapid</td>
<td>Rapid</td>
<td>Moderate to slow</td>
<td>Slow to negative</td>
</tr>
<tr>
<td>Profitability Level</td>
<td>Low to moderate</td>
<td>High</td>
<td>Moderate</td>
<td>Very low</td>
</tr>
<tr>
<td>Duration of Stage</td>
<td>3-5 years</td>
<td>5-8 years</td>
<td>Indefinite</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

| Appropriate Retailer Actions |            |                         |          |         |
| Investment/ Growth | Investment minimization | High level of investment to sustain growth | Tightly controlled growth in new markets | Marginal capital expenditure |
| Management Concerns | Concept refinement through experimenting | Establishing pre-emptive market position | Excess capacity and prolonging maturity | Engaging in a “run - out” strategy |
1. **Innovation:**
   This being a very primary stage the competition is at its minimal. There is a very high growth rate with very low profitability level. At this stage the management can minimize the investment. The size at this stage is very small hence the operations can be managed with the minimum control and continuous refinement of the management concept through experimentation should be carried out. The most suitable style of management at this stage is the entrepreneurial style of management.

2. **Accelerated Development:**
   This stage of life cycle is very buoyant with the high competition and high rate of growth which results in high level of profits. Very high investment should be pumped in to sustain the growth and competition. A very important issue in front of the management is to establish the preemptive market position. This can be achieved through the moderate management control techniques. At this stage since the size of business has grown big, the management should be centralized.

3. **Maturity:**
   The competition is very intense at this stage. The sales growth rate is moderate initially and then starts slowing down gradually with moderate profitability level. The retailer has to be very vigilant while making his investment decisions. The investments should be closely controlled in the new markets. Since the

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<th>Maturity</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of management control techniques</td>
<td>Minimal</td>
<td>Moderate</td>
<td>Extensive</td>
<td>Moderate</td>
</tr>
<tr>
<td>Most successful management style</td>
<td>Entrepreneurial</td>
<td>Centralized</td>
<td>Centralized</td>
<td>Moderately Decentralised</td>
</tr>
</tbody>
</table>
market is huge but the growth has slowed down, excess capacity and prolonged maturity are the grave concerns for the management. The management should tackle this stage with extensive control techniques and centralized management process.

4. Decline:
There is a moderate direct competition and very intense indirect competition at this stage. The growth rate is very slow or negative resulting in a very low profitability. The investment should be very negligible at this stage with a bare minimum capital expenditure. The management is concerned about the survival strategies at this stage. It adopts the moderately controlled environment for management.

1.8 The Evolution of Organised Retailing – An overall Perspective
Retailing has transformed from roadside hawking to organised retail setups significantly the departmental stores. Times have changed since a housewife would make a list of items to be bought for the day, and would set out to visit number of shops to make her routine purchases. Those shops are slowly being replaced by the self service, cash and carry organised departmental stores which provide the convenience of one stop shopping. This scenario is being experienced throughout the world. The shopping experience is the Unique Selling Proposition (USP) for business success for the retail industry.

It is believed that the first true departmental store in the world was founded in Paris in 1852 by Aristide Boucicaut and was named Bon Marche. At that point of time, the department store business was a bare-bones operation. It was only after the World War – II that retailers in the west began to upgrade their services, facilities and merchandise selection to offer a fascinating array of additional benefits to consumers through organised retailing.
1.9 The History of Retailing: An Indian Perspective

Retailing can be traced back since the early civilization when the exchange and transaction were in their early form. The methodology, pattern and format have undergone great transformation till now but the basics of retailing have remained the same. The early man is known to exchange the commodities he wanted with the commodities he had in excess, which was popularly known as the barter system. In India the most ancient and popular form of retailing was weekly bazaar or village melas. The Kirana stores have been in existence since the early years and have supported the nearby civilizations for ages with variety of goods stocked. The Public Distribution outlets came into existence in 1950 to provide the bare necessities at low costs. The small retailers changed their form into being the chain retailers. The organised big players also came into existence with the development of market and realisation of potential. One stop shopping became the present and daily shopping in different shops became the past. The following figure clearly explains the retail revolution.
Very interestingly it can be noted that the village melas or weekly markets were the early form of retailing. These forms provided for the convenience of shopping at one go, which is now termed as one stop shopping. The neighborhood stores or convenience shops then emerged as the villages grew to be towns and it became difficult for people to travel long distances for day-to-day requirement. Public Distribution System (PDS) outlets were formed in mid 1950s to ensure the supply of food grains at affordable costs. Khadi stores or cooperative stores also came into existence as an outcome of the cooperative movement and swadeshi movement in early stages of independence. Some of the cooperative stores also expanded professionally and become the department stores or chain stores. Early nineties brought about the total transformation in the retail business. The retail, which was never dreamt to be the organised business format, shifted gears and became a very important business sector for Indian economy. Large department stores, shopping malls,
exclusive brand stores came into existence, which changed the entire retail scenario.

Historically shopping has always been the source of entertainment. The village Melas or weekly fares were organised not only for pure retailing but also for the fun-filled activities. These Melas attracted huge customer segments from nearby Tehsils who would wait for the weekly markets to make all the purchases. This also gave the experience of one stop shopping during the weekly markets.

The kirana stores are age old grocers who serve the nearby localities. It supports the close localities for day to day requirements and perishable items. The Cooperative Stores have met the objective of maintaining quality with low cost offering. Public Distribution Outlets being supported by the government provide the basic requirements. They also take care of basic requirements of the weaker sections. Though all these formats are still prevailing in the Indian retail scene, the major highlight has been the organised retail share increasing year on year. Most of the big players are eyeing the Indian Retail Industry and some of them have already entered the market. The new retail formats such as departmental stores, supermarkets and hypermarkets have brought about the new way of retailing. Retailing is no more viewed as a task to be completed but is also looked at, as a shopping experience or a recreation activity. It is the shopping experience, which has become the highlight for these stores. Interestingly the early form of retail in India can be traced back to the village fares/ mela, which were visualized as the entertainment source, and now the latest formats are also catching up on retailing as a source of recreation or shopping experience. Hence the history is repeating itself by taking a new shape and dimension.
1.10 The Present Indian Retail Scenario:

![Fig: 1.7 The Indian Retail Scenario](source)

**Traditional Formats**
- Itinerant Salesman
- Haats
- Mandis
- Weekly Fares

**Established Formats**
- Kirana shops
- Convenience Department Stores
- Company Multi Brand Showrooms
- PDS Fair Price Shops
- Cooperative Stores
- Pan/beedi Shops

**Emerging Formats**
- Exclusive retail outlets
- Hypermarkets
- Internet Retail
- Malls/Specialty Malls
- Multiplexes
- Rural Oriented formats
- Fast Food Outlets
- Service Galleries

The three tier structure that exists in the present Indian Retail structure is unique in nature. There still are the traditional formats such as haats or mandis. On the other hand, well established Kirana Stores, Departmental Stores and Cooperative Stores have already been there for quite some time. And now the Hypermarkets, Supermarkets and Malls are emerging to be the order of the day. It is projected that the new format retailing is going to take the centre stage in the whole retail activity of India.